

BLUE CROSS OF NORTHEAST OHIO

Financial Statement

December 31, 1960

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Annual Statement

October 3, 1963

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May 23, 1961

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Gentlemen:

Complying with your recent request, we are pleased to enclose
a copy of our annual report for the year ending 1960.

Sincerely,

(Mrs.) L. Eynon
Secy. to Executive Vice President

e
encl.

PROCESSES OF NORTHERN OIL

W. H. HARRIS
J. H. HARRIS
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EXHIBIT A

ASSETS
December 31, 1960

CASH

Deposits in Commercial Accounts.....	\$ 3,049,713.61
Savings Deposits at Interest.....	503,271.89
On Hand.....	<u>650.00</u>

\$ 3,553,635.50

INVESTMENTS

United States Government Securities.....	16,344,004.80
Public Utility & Industrial Securities.....	313,679.03
F.H.A. Insured Mortgages.....	<u>675.16</u>

16,658,358.99

ACCRUED INTEREST.....

144,109.10

ACCOUNTS RECEIVABLE

Group Subscribers.....	1,050,833.62
Medical Mutual of Cleveland, Inc.....	71,907.65
Ohio Medical Indemnity, Inc.....	15,315.42
Advances for Other Service Plans.....	95,450.34
Inter-Plan Service Benefit Bank.....	191,388.98
Prepaid Premiums - Employees' Retirement Plan...	<u>42,851.40</u>

1,467,747.41

TOTAL ADMITTED ASSETS.....

\$21,823,851.00

MEMORANDUM ACCOUNT - NON-ADMITTED ASSET:

Air Travel Deposit.....	<u>\$ 425.00</u>
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EXHIBIT B

LIABILITIES AND RESERVES
December 31, 1960

UNEARNED INCOME (LEGAL RESERVE)..... \$ 4,755,922.53

DUE HOSPITALS FOR ACCRUED BILLINGS, INCOMPLETE,
UNDISCHARGED AND UNREPORTED CASES..... 7,632,194.67

DUE HOSPITALS FOR ADJUSTED PAYMENTS

Payments (or Refunds) required to adjust
tentative payments to audited rates:

First Half, 1960 (Final)..... (A) \$2,038,923.41

Last Half, 1960 (Preliminary)..... (A) 2,685,100.00

Total due Hospitals..... 4,724,023.41

ACCOUNTS PAYABLE, ACCRUED ACCOUNTS, AND OTHER LIABILITIES

General Accounts Payable.....	42,024.34
Deposit for FEP Claims.....	50,000.00
Unclaimed Checks.....	31,984.97
Medical Mutual of Cleveland, Inc.....	37,826.31
Ohio Medical Indemnity, Inc.....	5,430.40
U.S. Taxes Withheld from Employees.....	26,526.85
Deposited for Purchase of U.S. Savings Bonds...	733.55
Federal and State Social Security Taxes.....	10,290.40
Accrued Employees' Compensation.....	10,000.08
Reserve for Employees' Retirement Plan.....	14,000.00

228,816.90

RESERVE FOR CONTINGENCIES..... 4,482,893.49

TOTAL LIABILITIES AND RESERVE..... \$21,823,851.00

Total Persons Protected..... 1,801,331

Contingencies Reserve Per Capita..... \$2.49

Contingencies Reserve in Months of

Hospital and Administrative Expense..... .64

(A) Current Hospital Billings are paid at tentative rates, and Adjusted Payments (or Credits) as shown above at (A) are due at the close of each six-month period to adjust these tentative payments to hospital audited costs of service rendered to Subscribers.

APPENDIX

APPENDIX A
GENERAL INFORMATION

1. The purpose of this appendix is to provide a general overview of the project and its objectives. It is intended to serve as a reference for all project participants and to ensure that everyone is working towards the same goals.

2. The project is a collaborative effort between several organizations, each bringing its own expertise and resources to the table. The primary objective is to develop a comprehensive plan for the future of the organization, taking into account the needs and interests of all stakeholders.

3. The project is organized into several phases, each with its own set of tasks and deliverables. The first phase is the initial assessment, which involves gathering information about the current state of the organization and identifying key areas for improvement.

GENERAL INFORMATION	
Project Name	Project A
Project Manager	John Doe
Project Sponsor	Jane Smith
Project Start Date	January 1, 2020
Project End Date	December 31, 2020
Project Budget	\$1,000,000
Project Status	In Progress
Project Risks	Low
Project Benefits	High
Project Challenges	Medium
Project Opportunities	High
Project Lessons Learned	None

4. The second phase is the planning stage, which involves developing a detailed project plan and identifying the resources needed to complete the project. This phase is critical to the success of the project, as it sets the foundation for all subsequent work.

5. The third phase is the execution stage, which involves implementing the project plan and managing the project's progress. This phase is the most challenging, as it requires the project manager to coordinate the efforts of many different teams and individuals.

6. The fourth phase is the monitoring and control stage, which involves tracking the project's progress and making adjustments as needed. This phase is essential to ensuring that the project stays on track and meets its objectives.

7. The fifth phase is the closure stage, which involves finalizing the project and evaluating its results. This phase is the final step in the project process and is essential to ensuring that the project has been completed successfully.

8. The project is expected to have a significant impact on the organization, both in the short and long term. It is hoped that the project will provide valuable insights and information that will help the organization to improve its performance and achieve its goals.

EXHIBIT C

STATEMENT OF INCOME AND EXPENSE
December, 1960

	<u>DECEMBER</u>	<u>FIRST HALF</u>	<u>LAST HALF</u>	<u>YEAR TO DATE</u>
<u>INCOME</u>				
Earned Income from Subscribers.....	\$5,977,286.21	\$36,596,029.01	\$35,898,280.44	\$72,494,309.45
<u>EXPENSE</u>				
Administrative Expense.....	165,621.50	939,136.40	932,117.00	1,871,253.40
	<u>5,811,664.71</u>	<u>35,656,892.61</u>	<u>34,966,163.44</u>	<u>70,623,056.05</u>
<u>HOSPITAL SERVICES</u>				
Estimated Incurred Claims for Hospital				
Care at Tentative rates.....	5,843,500.00	33,669,499.05	34,535,400.00	68,204,899.05
Adjustment to Estimated Audited				
Hospital Rates.....	444,400.00	2,038,923.41	2,685,100.00	4,724,023.41
Total Hospital Costs.....	<u>6,287,900.00</u>	<u>35,708,422.46</u>	<u>37,220,500.00</u>	<u>72,928,922.46</u>
Less: Refunds covering Compensation				
Claims, etc.....	19,735.62	88,718.65	87,876.83	176,595.48
	<u>6,268,164.38</u>	<u>35,619,703.81</u>	<u>37,132,623.17</u>	<u>72,752,326.98</u>
<u>TO CONTINGENCIES RESERVE-FROM SUBSCRIBER</u>				
<u>INCOME</u>	456,499.67	37,188.80	-2,166,459.73	-2,129,270.93
<u>OTHER INCOME AND ADJUSTMENTS</u>				
Income from Investments.....	58,777.72	342,854.45	295,712.95	638,567.40
Alteration Expense.....	555.17	-29,405.80	-3,036.47	-32,442.27
	<u>59,332.89</u>	<u>313,448.65</u>	<u>292,676.48</u>	<u>606,125.13</u>
<u>TO CONTINGENCIES RESERVE</u>	\$ -397,166.78	\$ 350,637.45	\$-1,873,783.25	\$-1,523,145.80
<u>ADJUSTMENT TO CONTINGENCIES RESERVE DUE TO</u>				
<u>DETERMINATION OF ACTUAL HOSPITAL SERVICES</u>				
<u>INCURRED LAST SIX MONTHS, 1959</u>	-0-	894,071.49	-0-	894,071.49
	<u>\$ -397,166.78</u>	<u>\$ 1,244,708.94</u>	<u>\$-1,873,783.25</u>	<u>\$ -629,074.31</u>

EXHIBIT D

ADMINISTRATIVE EXPENSE
December, 1960

<u>EXPENSE</u>	<u>FOR THE MONTH</u>		<u>CUMULATIVE</u>	
	<u>1960</u>	<u>1959</u>	<u>1960</u>	<u>1959</u>
Salaries - General.....	\$120,242.25	\$122,519.69	\$1,433,814.73	\$1,354,563.97
Salaries - Branch Office.....	4,958.43	5,358.44	58,599.58	60,522.19
Travel.....	574.93	-109.60	14,697.23	11,079.60
Automobile Expense.....	2,180.34	2,605.92	28,563.43	29,040.43
Rent and Light.....	16,798.16	15,815.41	200,381.87	186,847.87
Association Dues.....	2,936.00	4,101.00	46,686.25	49,204.15
Legal Expense.....	25.00	1,777.45	11,505.48	14,211.69
Furniture and Equipment.....	6,999.30	3,244.10	34,235.94	40,009.45
Equipment Rental.....	10,454.50	9,634.23	125,487.39	116,690.39
Printing, Stationery & Supplies.	31,269.90	20,155.95	193,413.50	240,899.58
Books and Periodicals.....	221.24	165.03	2,266.52	1,691.62
Postage and Express.....	9,062.68	5,396.90	92,360.42	91,601.66
Telephone and Telegraph.....	6,312.45	6,452.90	76,444.63	75,393.30
Collection (Bank Charges).....	2,446.85	2,212.96	26,794.05	26,132.54
Advertising.....	2,549.60	12,714.95	66,852.72	109,393.10
Insurance - General.....	5,366.16	30.31	11,665.27	2,759.31
Employee Welfare.....	14,624.17	14,773.85	169,606.49	150,334.04
Auditing & Actuarial Services...	899.43	750.00	9,243.49	9,000.00
Auditing - Hospitals.....	8,389.45	9,298.15	85,577.18	94,230.23
Mailing Services.....	940.15	1,038.57	9,988.09	18,888.90
Service Charges-Inter-Plan Bank.	3,399.00	3,504.00	42,564.00	43,709.17
Special Contract Expense.....	-23.04	14.10	744.16	1,631.32
Miscellaneous.....	6,269.64	5,025.96	95,619.54	73,799.02
Citizens' Committee Study.....	72.81	-0-	19,891.06	41,664.20
	<u>\$256,969.40</u>	<u>\$246,480.27</u>	<u>\$2,857,003.02</u>	<u>\$2,843,297.73</u>
Less: Service Charges:				
Medical Mutual of Cleveland....	71,907.65	65,573.22	785,003.36	742,501.48
Ohio Medical Indemnity, Inc....	14,760.25	14,163.12	167,605.38	163,443.16
Inter-Plan Bank.....	2,280.00	2,793.00	25,419.00	24,783.00
Medicare Program.....	400.00	216.08	2,911.88	2,954.32
Federal Employees' Program.....	2,000.00	-	4,810.00	-
	<u>\$ 91,347.90</u>	<u>\$ 82,745.42</u>	<u>\$ 985,749.62</u>	<u>\$ 933,681.96</u>
	<u>\$165,621.50</u>	<u>\$163,734.85</u>	<u>\$1,871,253.40</u>	<u>\$1,909,615.77</u>
Percentage of Expense to Income.....	2.77	2.69	2.58	2.77

